



Board of Education

Office of the Board
1 North Dearborn Street
Suite 950
Chicago, IL 60602

Board Report

35

Agenda Date: 12/ /2024

AUTHORIZE A NEW AGREEMENT WITH INTERNATIONAL BUSINESS MACHINES CORPORATION FOR SYSTEM INTEGRATOR AND RELATED SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with International Business Machine Corporation to provide System Integrator and related services to Information & Technology Services at an estimated annual cost set forth in the Financial Section of this report. Vendor was selected on a competitive basis pursuant to Board Rule 7-3. A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to the execution of their written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification Number : 24-716

Contract Administrator : Munoz, Rigoberto / 773-553-2280

VENDOR:

- 1) Vendor # 13388
INTERNATIONAL BUSINESS MACHINES CORPORATION
71 S. WACKER DR
CHICAGO, IL 60606

James Northern
952 250-9970

Ownership: 100% Publicly Traded

USER INFORMATION :

Project
Manager: 12510 - Information & Technology Services
42 West Madison Street
Chicago, IL 60602

Wagner, Edward Joseph
773-553-1300

TERM:

The term of this agreement shall commence on March 1, 2025 and shall end February 29, 2028. This agreement shall have two (2) options to renew for periods of two (2) years each.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES:

Vendor will lead the Build, Test and Implementation of the Oracle Fusion Enterprise Resource Planning ("ERP") Cloud Platform (Board approved February 2024) and relevant third-party SaaS applications. To successfully implement the new Oracle Fusion cloud software and third-party SaaS applications, the System Integrator (SI) is essential in building the modern cloud-based solution that will replace our obsolete legacy ERP applications, and significantly enhance the efficiency, agility, and cost-effectiveness of the District's administrative processes. The SI will work side by side with departments to migrate and streamline legacy ERP systems data to the cloud, improve accessibility, and provide real-time analytics for informed decision-making, ultimately empowering our District to better serve our students and community.

DELIVERABLES:

The vendor will replace current legacy Oracle EBS and PeopleSoft applications by delivering implementation of Oracle Fusion Cloud Services, Hexagon Enterprise Asset Management Application, Grants Now, and implementation of Workforce Software Terminal Server and Workforce Time and Attendance Collection devices (Time Clocks). The implementation of Oracle Fusion Cloud Services and other third-party software applications will provide business capabilities in the following functional areas:

1. Enterprise Financials
2. Procurement and Contract Management
3. Fund Management, Projects, and Asset Management
4. Human Capital Management, Recruitment, Time and Attendance, Payroll & Benefits and Learning Management

The technical deliverables will include data migration activities that encompass data extraction, conversion, and migration of data from legacy ERP systems for loading into SaaS cloud solutions. In addition, the vendor also will deliver the reports, interfaces, conversions, and enhancements to meet functional and technical requirements for the in-scope modules and services. The business outcomes expected from the implementation of in-scope cloud services are summarized in the Outcomes section.

OUTCOMES:

Vendor's services will result in improvement in the following areas:

- 1) Financials
 - a) Eliminate existing manual and complex processes with standardized, industry-proven processes and centralized budgeting, planning, reconciliation, and compliance management with Oracle's Cloud Enterprise Planning (EPM) solution and establish Enterprise Data Governance with Oracle Enterprise Data Management (EDM).
 - b) Automate Year-end close and Narrative reporting with EPM/EDM to reduce time to complete the process and

processing and liability tracking. incorporate catalogs, punchouts and collaboration within Cloud to streamline employee purchasing processes and vendor communications. Leverage early payment discounts.

3) Fund Management, Projects, and Asset Management

- a) Centralize all Fund (Grants, Bonds, etc.) management with Oracle's Cloud ERP to simplify controls, reporting, revenue creation, risk, compliance, and Project to Asset auto-creation for CIP and non-CIP projects.
- b) Centralize assets into one system for improved visibility, controls, and lifecycle investment.

4) Human Capital Management/Payroll

- a) Plan, manage, and optimize people acquisition, onboarding, benefits, pay, and development with one common data source.
- b) Leverage highly configurable workflows that offer scalability and localization to improve responses to human and environmental events. Fully integrated with Oracle's Cloud EPM/EDM, ERP and Analytics.

REIMBURSABLE EXPENSES:

Vendor shall be reimbursed for the following expenses: None

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Information Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Policy for Minority-Owned Business Enterprise (MBE) and Women-Owned Business Enterprise (WBE) policy participation in Goods and Services contracts, the vendor has committed to the aspirational goals of 30% MBE and 10% WBE with their strategic plan and subcontractor(s). Congruent with the marketplace for this category of products and services, the adjustment to the aspirational goals are warranted and merited by the Office of Business Diversity. The Prime vendor has identified the following subcontractors:Total MBE: 30%

Clarity Partners, LLC
20 N. Clark Street, Suite 3600
Chicago, IL 60602
Ownership: David Namkung

Next Generation, Inc.
444 W. Lake St., Suite 1700
Chicago, IL 60606
Ownership: Darrell HiguerosTotal WBE: 10%

The William Everett Group
35 E. Wacker Dr., Suite 3100
Chicago, IL 60601
Ownership: Ellen Rozelle Turner

LSC REVIEW:

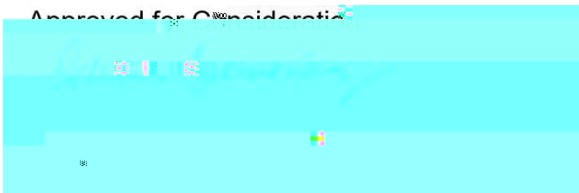
Local School Council approval is not applicable to this report.

FY26 - \$24,000,000
FY27 - \$28,00,000
FY28 - \$4,000,000

Not to exceed \$60,000,000 for the three (3) year term. Future year funding is contingent upon budget appropriation and approval.

GENERAL CONDITIONS:

The agreement shall contain general conditions including but not limited to the following: Inspector General provision, in accordance with 105 ILCS 5/34-13.1; Conflicts provision, in accordance with 105 ILCS 5/34-21.3; Indebtedness provision, in accordance with the Board's Indebtedness Policy adopted June 26, 1996 pursuant to Board Report 96-0626-PO3; Ethics provision, in accordance with the Board's Ethics Code as amended; and, Contingent Liability provision.



Approved:

PEDRO MARTINEZ
Chief Executive Officer

